



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

**FOR IMMEDIATE RELEASE**  
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## **New York Community Bank, Westbury, New York, Assumes All of the Deposits of Desert Hills Bank, Phoenix, Arizona**

Desert Hills Bank, Phoenix, Arizona, was closed today by the Arizona Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with New York Community Bank, Westbury, New York, to assume all of the deposits of Desert Hills Bank.

The six branches of Desert Hills Bank will reopen on Monday as branches of New York Community Bank. Depositors of Desert Hills Bank will automatically become depositors of New York Community Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their former Desert Hills Bank branch until they receive notice from New York Community Bank that it has completed systems changes to allow other New York Community Bank branches to process their accounts as well.

This evening and over the weekend, depositors of Desert Hills Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2009, Desert Hills Bank had approximately \$496.6 million in total assets and \$426.5 million in total deposits. New York Community Bank did not pay the FDIC a premium to assume all of the deposits of Desert Hills Bank. In addition to assuming all of the deposits, New York Community Bank agreed to purchase essentially all of the failed bank's assets.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-69-2010

The FDIC and New York Community Bank entered into a loss-share transaction on \$325.9 million of Desert Hills Bank's assets. New York Community Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-886-2504. The phone number will be operational this evening until 9:00 p.m., Mountain Standard Time (MST); on Saturday from 9:00 a.m. to 6:00 p.m., MST; on Sunday from noon to 6:00 p.m. MST; and thereafter from 8:00 a.m. to 8:00 p.m., MST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/deserthills.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$106.7 million. New York Community Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. Desert Hills Bank is the 41st FDIC-insured institution to fail in the nation this year, and the first in Arizona. The last FDIC-insured institution closed in the state was Valley Capital Bank, N.A., Mesa, on December 11, 2009.

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